

Weekly Market Report

Week 41/2019 (07 Oct – 11 Oct)

Comment: Australian Iron Ore Exports

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Australian Iron Ore Exports

Australian iron ore exports are now expected to end the current year with roughly the same total volumes as in 2018, or perhaps with some luck just a marginal gain of +1% or +2% year-on-year.

This is quite surprising, given how turbulent a year this has been for the iron ore markets.

The Brumadinho dam disaster in Brazil in January 2019 led to significant shortages of iron ore on the market, and led to a spike in iron ore prices, which essentially doubled between January and June.

One would have expected Australian miners to capitalise on this opportunity, but a mix of limited spare capacity, weather-related disruption in North-West Australia, and poor demand from traditional buyers have prevented any significant gains in volumes.

In the first 9 months of 2019, based on Refinitiv vessel tracking data, Australia exported 634.0 mln tonnes of iron ore, which was down -2.0% year-on-year.

In fact, export volumes in the first quarter of 2019 were down by as much as -7.5% year-on-year, to 189.9 mln tonnes.

The main problem was the hit by Tropical Cyclone Veronica in March 2019. In preparation for passage of Veronica, major shipping ports on the Pilbara coastline were forced to cease operations in the interests of safety.

The port of Port Hedland, the most valuable export hub in Australia and one of the largest iron ore loading ports in the world, was closed on 22 March, with operations only resuming nearly four days later.

As a result of the disruption to the mining and export operations, Rio Tinto estimated that its iron ore production would suffer reductions of approximately 14 mln tonnes during 2019.

Rio Tinto's Cape Lambert port wharf also sustained damage from waves generated by the cyclone, and repairs to the company's Robe River sorting facility following a fire earlier in the year were delayed during the event.

Fortescue Metals reported that exports of up to 2 mln tonnes of its own iron ore were disrupted during the cyclone.

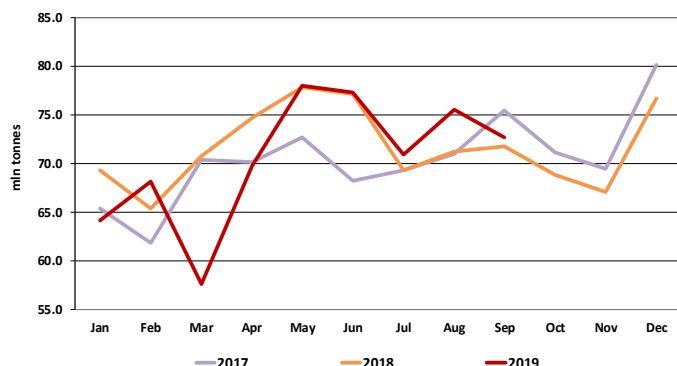
In March 2019, Australia managed to export just 57.6 mln tonnes of iron ore, down -18.6% year-on-year compared to the same month last year.

Exports have been steadily recovering since then. Between April and September 2019, Australia exported 444.1 mln tonnes of iron ore, which was +0.5% compared to the same period last year.

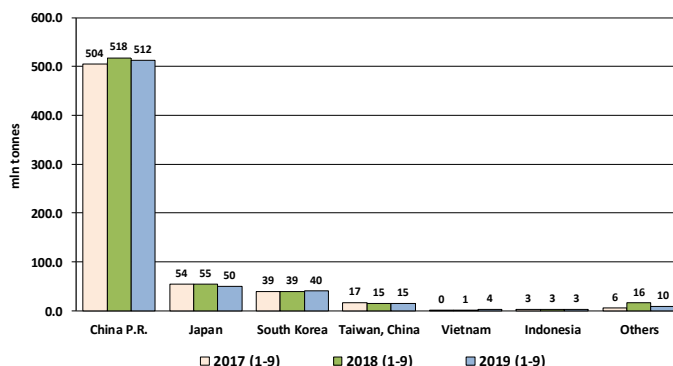
Of the total 634.0 mln tonnes exported in January-September 2019, as much as 511.8 mln tonnes (81%) were shipped to Mainland China, with 50.0 mln tonnes (7.9%) going to Japan, 40.5 mln tonnes (6.4%) to South Korea, 15.2 mln tonnes (2.4%) to Taiwan, 3.6 mln tonnes (0.6%) to Vietnam, and 3.4 mln tonnes to Indonesia (0.5%). About two-thirds of these volumes, and about half of loadings, have been done on Capesize or VLCC ships.

The biggest cut this year was to volumes to Japan, which declined by -9.2% year-on-year. Shipments to China declined by -1.2% year-on-year, whilst volumes to South Korea actually increased marginally this year by 3.6% year-on-year.

Australia - Monthly Total Iron Ore Exports - Seasonality
(Oct 2019; source: refinitiv; in mln tonnes)



Australia - Iron Ore Exports by Destination in Jan-Sep
(Oct 2019; source: refinitiv; seaborne only; in million tonnes)



Capesize Market

Quite a positive week for Capesize with rates improving on main trades and the 5TC average that gained almost \$3,000/d.

Brazil-China gained almost \$2/mt due to many cargoes in the market and the week closed at \$23.78/mt.

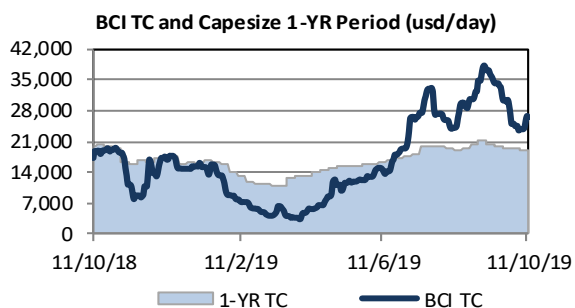
A similar trend for Australia-China, but the increase was smaller with an opening on Monday at \$9.05/mt, reaching mid \$9s/mt on Wednesday and closing the week at a tic less than \$9.30/mt.

Not much activity on Saldanha Bay-China which just followed the positive sentiment of C3.

TransAtlantic increased up to \$25,000/d and fronthaul reached again \$50,000/d, shorter BSea-F East fixed in the high \$60,000s/d.

Rates

	Unit	11-Oct	04-Oct	W-o-W	Y-o-Y
BCI TC Avg.	usd/day	26,382	23,675	+11.4%	+53.3%
C8 Transatlantic r/v	usd/day	24,425	22,760	+7.3%	+56.4%
C14 China-Brazil r/v	usd/day	27,273	22,300	+22.3%	+54.9%
C10 Pacific r/v	usd/day	23,988	21,967	+9.2%	+28.8%
1 Year TC Period	usd/day	19,000	19,500	-2.6%	-5.0%



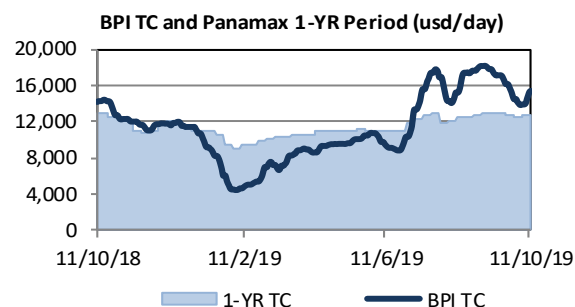
Panamax Market

Rates increased all the week in all areas. In Cont owners got a premium for spot ships either for East direction at levels over \$20,000/d or for InterCont at rates in the high teens. In S America owners obtained easily delay retro sailing or dop India/SE Asia range: a 76,000 dwt ship was fixed for a fronthaul run from East Coast South America at a rate in the mid \$16,000s/d + mid \$600,000 bb and a similar size did a similar trip at \$15,000/d basis delay Indonesia and Japan redely.

In Pacific rates increased particularly quickly and many vessels were fixed around \$14,000/d or more for nice Kamsarmax, demand remained strong at the end of the week. Period activity was quite strong and a Kamsarmax was fixed in the mid \$13,000s/d basis delivery S China for almost a year period and un PostPanamax got \$14,500/d basis delivery Japan for same period.

Rates

	Unit	11-Oct	04-Oct	W-o-W	Y-o-Y
BPI TC Avg.	usd/day	15,355	13,868	+10.7%	+8.6%
BPI 82 TC Avg.	usd/day	16,440	14,870	+10.6%	+3.1%
P1_82 Transatlantic r/v	usd/day	17,430	15,670	+11.2%	+4.9%
P2_82 Skaw-Gib Trip F. East	usd/day	27,577	25,836	+6.7%	+14.0%
P3_82 Pacific r/v	usd/day	15,259	13,153	+16.0%	+1.7%
1 Yr TC Period Panamax	usd/day	12,750	12,500	+2.0%	-1.9%
1 Yr TC Period Kamsarmax	usd/day	14,250	14,000	+1.8%	-6.6%

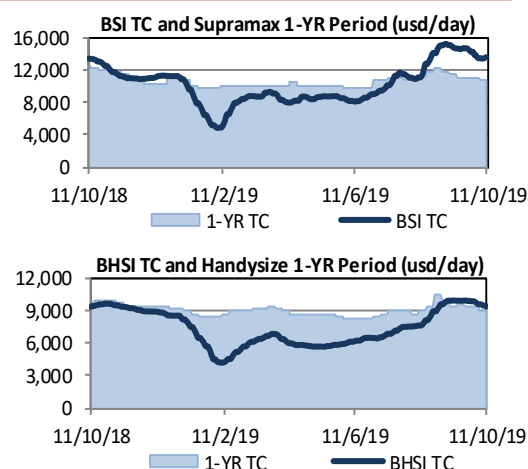


Supramax & Handysize Market

<p>US Atlantic South America</p>	<p>Supramax were stable in USG and the downward trend stopped thanks to some good activity that shortened the tonnage list. Supramax were getting around \$18,000/d for Atlantic TCT and around \$20,000/d to F East; Ultramax were getting \$2/3,000/d premium. Handysize rates increased with smaller units getting mid-teens and the large 37/39,000 dwt achieving high-teens. From ECSAm the week started on a negative tone, but by the mid of the week the slowdown stopped and Supra/Ultramax rates started to increase. 38,000 dwt Handies were rumored at \$17,250/17,500/d to Cont and at \$18/18,500/d to W Med. Trip to F East softened to \$21,000/d level. Supramax level increased slightly with Tess58 getting \$18/18,500/d to Skaw/Passero and \$15,500/d + 550,000 bb to F East. Ultramax to Skaw/Passero increased around \$1,000/d to \$19,000/d and trips to F East were done at \$17,000/d + 700,000 bb.</p>
<p>N Europe Mediterranean</p>	<p>Activity in Continent was strong all week, but no major changes were spotted and modern Handies (around 35,000 dwt) with dely Cont were still fixed around \$13,000/d to Med with clean cargoes. On the fronthaul no fixture were reported on Handysize, in any case the rate is estimated around \$17,000/d with clean cargoes basis a nice 35,000 dwt geared vessel. On Supramax and Ultramax levels were stable and a Tess58 was worth around \$16,000/d basis dely Cont to E Med with scrap. The BSea market was active, but, again, did not take any direction and remained stable. Small Handies were fixing in the mid \$14/15,000/d from Canakkale for trips to E Med with grains and in the \$12,500/d for trips to Cont and Baltic, for which a few Supramax with dely dop E Med got mid \$14,000s/d. Ultramax were asking \$16,000/d for 4/6 months period with redely Atlantic, around the same rate agreed for BSea-Med trades. Fronthaul to SE Asia on Ultramax was done at \$26,000/d.</p>
<p>India S Africa</p>	<p>Rates slipped further. From WC India a 56,000 dwt was fixed early in the week at \$14,000/d for a trip via MEG to Chittagong, then a 57,000 dwt got mid \$13,000s/d for a similar trip. From EC India activity increased and Supramax were getting \$14,000/d for EC India to WC India coastal trips basis dely aps. Rates from EC India to China remained poor and a 57,000 dwt was fixed at low \$12,000/d level basis dely dop. From S Africa rates remained weak most of the week and an Ultramax was rumored around \$13,000/d + low 300,000 bb to MEG/WC India range; towards the end of the week some stronger fixtures were heard. A 63,000 dwt was fixed RBCT to MEG/WC India around high \$13,000s/d + his 300,000 bb and another units at \$14,000/d + 400,000 bb.</p>
<p>Far East Pacific</p>	<p>Last week Supramax and Ultramax rates showed an increase of \$500/d on average in the area. Two Supramax were fixed to WC India, the first one with dely Thailand got \$13,250/d, the second one with dely Spore got \$14,500/d. To China a 55,000 dwt got \$11,500/d for an Indonesia RV and another Supramax with dely Indo was fixed at \$14,750/d. On Handies the market remained unchanged and a 34,000 dwt with dely Vietnam achieved \$8,600/d for a trip to Spore probably with sand.</p>

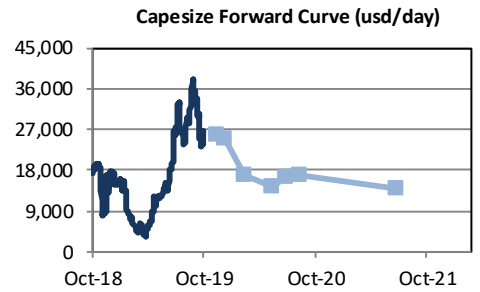
Rates

	Unit	11-Oct	04-Oct	W-o-W	Y-o-Y	
Supramax	BSI TC Avg.	usd/day	13,602	13,465	+1.0%	+1.3%
	S4A_58 USG-Skaw/Pass	usd/day	18,422	19,119	-3.6%	-11.6%
	S9_58 WAF-ECSA-Med	usd/day	12,311	12,543	-1.8%	-2.3%
	S1B_58 Canakkale-FEast	usd/day	26,493	27,543	-3.8%	+11.1%
	S11_58 Pacific r/v	usd/day	12,238	11,688	+4.7%	+4.7%
	1 Year TC Period	usd/day	10,750	11,000	-2.3%	-14.0%
Handy	BHSI TC Avg.	usd/day	9,526	9,702	-1.8%	+0.6%
	1 Year TC Period	usd/day	9,000	9,500	-5.3%	-8.6%

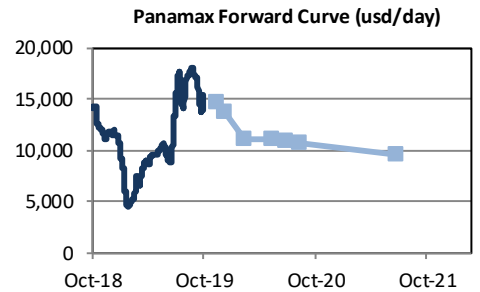


Dry Bulk FFAs (Baltic Forward Assessments)

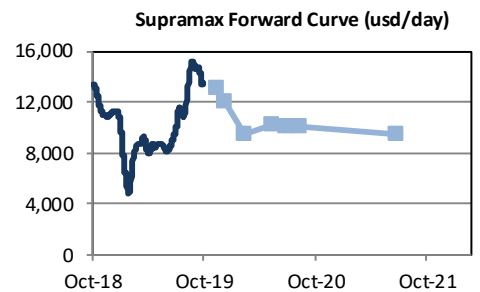
		Unit	11-Oct	04-Oct	W-o-W	Premium/ Discount
Capesize	Oct (19)	usd/day	25,282	24,254	+4.2%	-4.2%
	Nov (19)	usd/day	25,846	24,796	+4.2%	-2.0%
	Dec (19)	usd/day	24,914	24,761	+0.6%	-5.6%
	Q1 (20)	usd/day	16,746	16,511	+1.4%	-36.5%
	Q2 (20)	usd/day	14,436	14,036	+2.8%	-45.3%
	Q3 (20)	usd/day	17,075	16,879	+1.2%	-35.3%
	Cal 20	usd/day	16,590	16,374	+1.3%	-37.1%
	Cal 21	usd/day	13,721	13,639	+0.6%	-48.0%
	Cal 22	usd/day	13,714	13,679	+0.3%	-48.0%



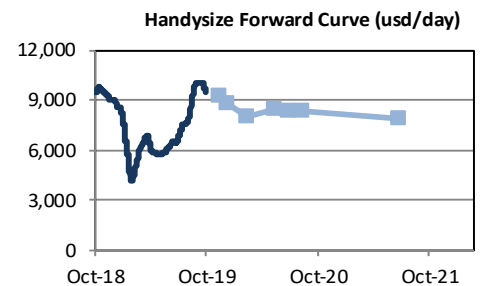
Panamax	Oct (19)	usd/day	15,136	14,086	+7.5%	-1.4%
	Nov (19)	usd/day	14,771	13,768	+7.3%	-3.8%
	Dec (19)	usd/day	13,721	13,236	+3.7%	-10.6%
	Q1 (20)	usd/day	11,071	10,921	+1.4%	-27.9%
	Q2 (20)	usd/day	11,007	10,782	+2.1%	-28.3%
	Q3 (20)	usd/day	10,761	10,557	+1.9%	-29.9%
	Cal 20	usd/day	10,878	10,723	+1.4%	-29.2%
	Cal 21	usd/day	9,507	9,464	+0.5%	-38.1%
	Cal 22	usd/day	9,211	9,211	+0.0%	-40.0%



Supramax	Oct (19)	usd/day	13,743	13,293	+3.4%	+1.0%
	Nov (19)	usd/day	13,050	12,271	+6.3%	-4.1%
	Dec (19)	usd/day	12,036	11,846	+1.6%	-11.5%
	Q1 (20)	usd/day	9,529	9,346	+2.0%	-29.9%
	Q2 (20)	usd/day	10,211	10,068	+1.4%	-24.9%
	Q3 (20)	usd/day	10,125	9,993	+1.3%	-25.6%
	Cal 20	usd/day	10,025	9,920	+1.1%	-26.3%
	Cal 21	usd/day	9,511	9,446	+0.7%	-30.1%
	Cal 22	usd/day	9,186	9,129	+0.6%	-32.5%



Handysize	Oct (19)	usd/day	9,588	9,525	+0.7%	+0.7%
	Nov (19)	usd/day	9,238	9,188	+0.5%	-3.0%
	Dec (19)	usd/day	8,825	8,788	+0.4%	-7.4%
	Q1 (20)	usd/day	7,963	7,900	+0.8%	-16.4%
	Q2 (20)	usd/day	8,519	8,500	+0.2%	-10.6%
	Q3 (20)	usd/day	8,388	8,350	+0.5%	-11.9%
	Cal 20	usd/day	8,371	8,344	+0.3%	-12.1%
	Cal 21	usd/day	7,906	7,863	+0.5%	-17.0%
	Cal 22	usd/day	7,631	7,613	+0.2%	-19.9%



Crude Oil Tanker Market

VLCC worldscale rates doubled in one day on some routes and daily returns in excess of \$300,000/d were recorded. MEG-UKC is currently on subs at WS178!!!

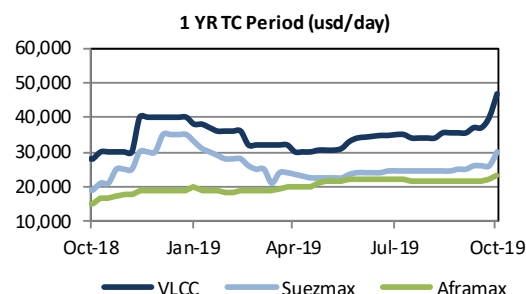
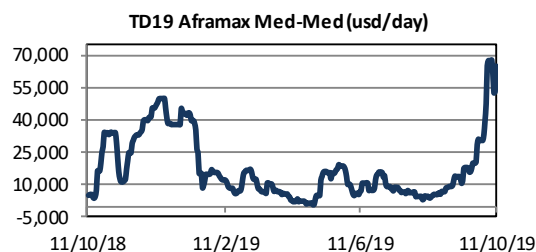
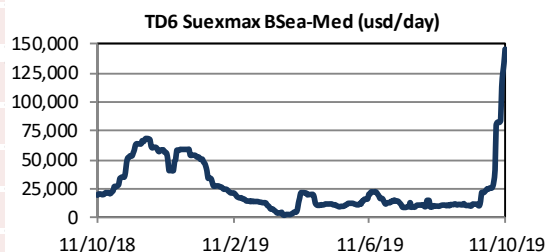
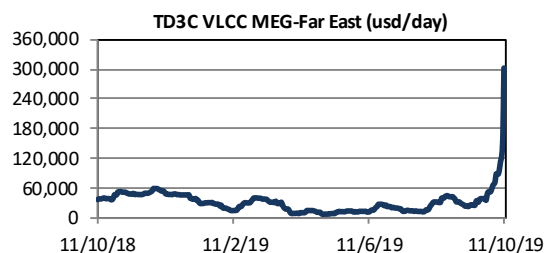
The Suezmax market is not comparable with the VLCC one, but the market kept on going up very fast and charterers are trying to get cover a lot in advance. Basrah-Med/UKC was assessed at WS140s

The Aframax in Med softened in the middle of the week only to jump back later as WS235 were recorded on subs ex BSea on Friday.

A similar trend from USG with rates for 70,000 mt TA back to WS200. Rates were strong elsewhere too with big hikes in the East of Suez markets.

Rates

	Unit	11-Oct	04-Oct	W-o-W	Y-o-Y	
VLCC	TD1 MEG-USG	ws	173.00	52.41	+230.1%	+433.8%
	TD1 MEG-USG	usd/day	181,078	33,024	+448.3%	+2935.1%
	TD2 MEG-Spore	ws	322.08	114.46	+181.4%	+287.0%
	TD3C MEG-China	ws	313.33	110.63	+183.2%	+280.6%
	TD3C MEG-China	usd/day	300,391	87,267	+244.2%	+735.0%
	TD15 WAF-China	ws	288.75	110.63	+161.0%	+259.5%
	Avg. VLCC TCE	usd/day	240,735	60,146	+300.3%	+1527.2%
	1 Year TC Period	usd/day	46,750	40,000	+16.9%	+67.0%
Suezmax	TD6 BSea-Med	ws	270.56	177.78	+52.2%	+154.3%
	TD6 BSea-Med	usd/day	145,169	82,323	+76.3%	+613.7%
	TD20 WAF-Cont	ws	210.00	201.67	+4.1%	+88.5%
	MEG-EAST	ws	375.00	130.00	+188.5%	+305.4%
	TD23 MEG-Med	ws	143.33	57.08	+151.1%	+282.2%
	Avg. Suezmax TCE	usd/day	136,633	71,066	+92.3%	+569.6%
	1 Year TC Period	usd/day	30,000	26,000	+15.4%	+57.9%
Aframax	TD7 NSea-Cont	ws	186.94	171.94	+8.7%	+66.2%
	TD7 NSea-Cont	usd/day	70,985	61,311	+15.8%	+906.2%
	TD17 Baltic-UKC	ws	153.33	136.67	+12.2%	+57.7%
	TD17 Baltic-UKC	usd/day	62,852	52,153	+20.5%	+315.6%
	TD19 Med-Med	ws	215.56	222.78	-3.2%	+106.4%
	TD19 Med-Med	usd/day	65,207	67,746	-3.7%	+1153.3%
	TD8 Kuwait-China	ws	220.56	147.11	+49.9%	+82.9%
	TD8 Kuwait-China	usd/day	51,336	26,032	+97.2%	+840.6%
	TD9 Caribs-USG	ws	204.69	149.69	+36.7%	+40.4%
	TD9 Caribs-USG	usd/day	46,799	27,789	+68.4%	+297.7%
	Avg. Aframax TCE	usd/day	58,632	43,344	+35.3%	+527.3%
	1 Year TC Period	usd/day	23,000	22,000	+4.5%	+53.3%



Product Tanker Market

Another exciting week for the LR2s East of Suez, where intense activity pushed rates higher and higher. LR2 MEG-Japan gained more than 20 points opening to WS156.6. LR1 followed the positive trend from 119.2 to 146.9 on Friday. The Med region has been affected by a more than positive trend: the good number of cargoes that came out in the market cut the position list and rates for both CrossMed and BSea-Med further increased, reaching respectively WS155/160 and WS165/170 and a further increase is expected.

In Cont the market for Handies also shown a very strong trend for both Baltic-Cont and CrossCont with rates around WS155 and WS145 respectively. The MR also got a boost in the first part of the week with TC2 reaching WS135 and in some cases even WS137.5 was reported, but towards the end of the week softened again to WS125.

Also the other side of the Atlantic was finally characterized by an active market and by a good flow of cargoes which led rates of TC14 to increase some 35 points to WS115 on Friday.

Rates for dirty Handies and MRs in Med didn't move much till the very end of the week, 30,000 mt CorssMed remained stuck at WS147.5 and from BSea at WS157.5 till Friday afternoon, then a WS155 was fixed for CrossMed and WS162.5 from BSea. 45,000 mt CorssMed held at WS135 level for CrossMed WS135/140 from BSea.

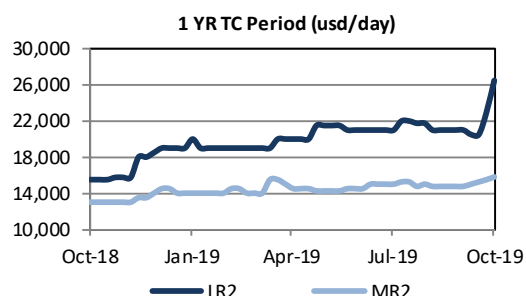
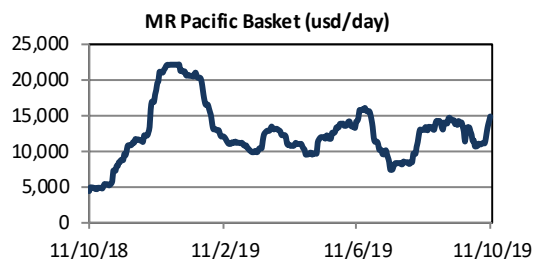
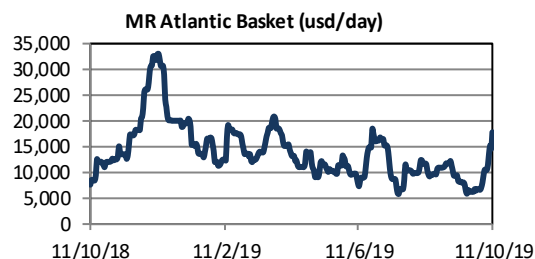
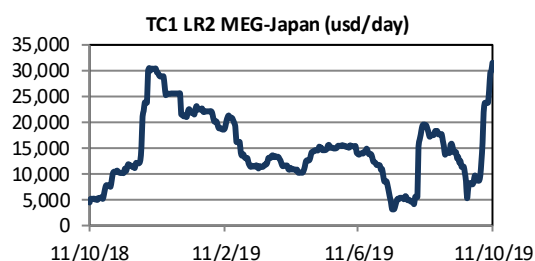
IN UKC the market improved substantially, 30,000 mt CrossUKC went up to WS185/190 and was still firm on Friday. 45,000 mt CrossUKC was fixed at WS130/135.

Also Panamax increased a lot with rates hitting WS165 on TransAtlantic trades.

Rates		Unit	11-Oct	04-Oct	W-o-W	Y-o-Y
Clean	TC1 MEG-Japan (75k)	ws	156.56	135.00	+16.0%	+55.1%
	TC1 MEG-Japan (75k)	usd/day	31,682	23,790	+33.2%	+620.0%
	TC8 MEG-UKC (65k)	usd/mt	29.46	25.46	+15.7%	+34.3%
	TC5 MEG-Japan (55k)	ws	146.94	114.44	+28.4%	+19.1%
	TC5 MEG-Japan (55k)	usd/day	20,433	12,293	+66.2%	+217.8%
	TC2 Cont-USAC (37k)	ws	125.00	114.44	+9.2%	-8.2%
	TC2 Cont-USAC (37k)	usd/day	9,825	7,620	+28.9%	+132.3%
	TC14 USG-Cont (38k)	ws	114.29	76.79	+48.8%	+19.1%
	TC14 USG-Cont (38k)	usd/day	8,893	1,788	+397.4%	+821.8%
	TC9 Baltic-UKC (22k)	ws	155.00	126.07	+22.9%	-0.5%
	TC6 Med-Med (30k)	ws	156.25	119.19	+31.1%	+1.4%
	TC7 Spore-ECAu (30k)	ws	178.94	172.00	+4.0%	+8.9%
	TC7 Spore-ECAu (30k)	usd/day	16,694	14,737	+13.3%	+140.2%
	TC11 SK-Spore (40k)	usd/mt	9766	7474	+30.7%	+1542.5%
	MR Pacific Basket	usd/day	14,851	11,112	+33.6%	+255.8%
	MR Atlantic Basket	usd/day	17,726	10,329	+71.6%	+140.8%
LR2 1 Year TC Period	usd/day	26,500	23,000	+15.2%	+71.0%	
MR2 1 Year TC Period	usd/day	15,800	15,500	+1.9%	+21.5%	
Dirty	TD12 Cont-USG (55k)	ws	168.44	130.63	+28.9%	+47.3%
	TD18 Baltic-UKC (30k)	ws	186.67	156.25	+19.5%	+20.1%
	BSea-Med (30k)	ws	157.5	157.5	+0.0%	-33.0%
	Med-Med (30k)	ws	147.5	147.5	+0.0%	-29.8%

Delays at Turkish Straits for Daylight Restricted Vessels

	Unit	04-Oct	27-Sep	W-o-W	Y-o-Y
Northbound	days	3.0	4.0	-25.0%	-25.0%
Southbound	days	3.0	4.0	-25.0%	-25.0%



Containership Market

Last week most of the fixtures were for shorter periods and charter rates stagnated for most segments. The New ConTex decreased by 1 point to 445 and 4,250 teu size lost 2,5% to \$14,035/d for 12 months period. According to Alphaliner the idle fleet, excluding the ships undergoing scrubber retrofits, increased to 143 vessels compared to 123 units two weeks earlier.

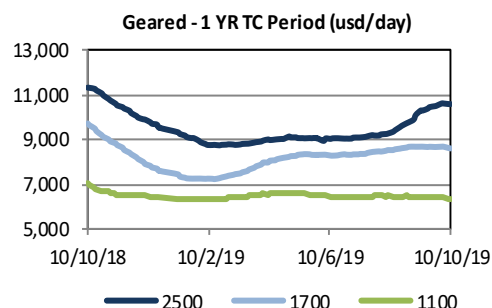
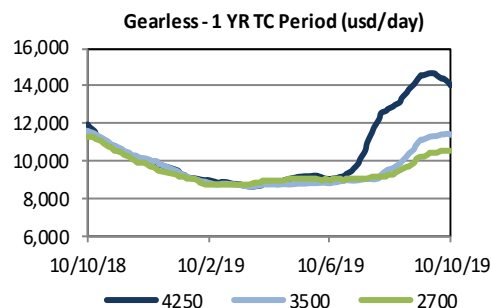
Recent Fixtures

Vessel Name	Built	TEUs	TEU@14	Gear	Fixture	Period	Rates
Long Beach Trader	2007	6,039	4,165	no	fixed to Wan Hai	4/7 m	\$20,250/d
As Columbia	2006	2,741	2,115	no	extended to Sinokor	8/10 m	\$11,000/d
Bomar Resolve	2005	2,524	1,854	yes	extended to Log n	6/8 m	\$11,000/d
Hansa Magdeburg	2003	1,740	1,330	yes	fixed to Mcc	3/7 m	\$8,500/d
Pacita	2004	1,200	870	no	fixed to Cosco	4/5 m	\$7,250/d
Contship Hub	2003	1,083	650	yes	extended to Cosco	3/5 m	\$6,000/d

VHSS Containership Timecharter Assessment

(source: Hamburg Shipbrokers' Association)

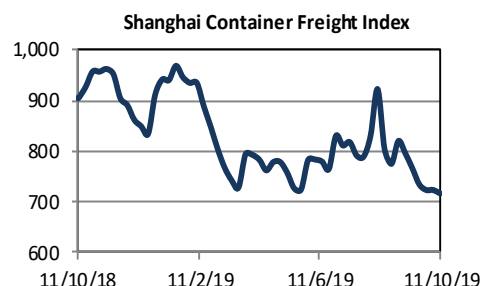
	Unit	10-Oct	03-Oct	W-o-W	Y-o-Y
ConTex	index	445	446	-0.2%	-6.3%
4250 teu (1Y, g'less)	usd/day	14,035	14,402	-2.5%	+18.9%
3500 teu (1Y, g'less)	usd/day	11,444	11,466	-0.2%	-1.4%
2700 teu (1Y, g'less)	usd/day	10,579	10,606	-0.3%	-6.5%
2500 teu (1Y, geared)	usd/day	9,819	9,773	+0.5%	-9.7%
1700 teu (1Y, geared)	usd/day	8,631	8,708	-0.9%	-10.6%
1100 teu (1Y, geared)	usd/day	6,348	6,409	-1.0%	-9.2%



Shanghai Containerized Freight Index

(source: Shanghai Shipping Exchange)

	Unit	11-Oct	04-Oct	W-o-W	Y-o-Y
Comprehensive Index	index	716	723	-1.0%	-20.8%
Services:					
Shanghai - North Europe	usd/teu	581	593	-2.0%	-20.5%
Shanghai - Mediterranean	usd/teu	722	742	-2.7%	-3.9%
Shanghai - WC USA	usd/feu	1,313	1,328	-1.1%	-47.5%
Shanghai - EC USA	usd/feu	2,335	2,346	-0.5%	-29.3%
Shanghai - Dubai	usd/teu	512	519	-1.3%	+39.9%
Shanghai - Santos	usd/teu	1,811	1,770	+2.3%	+90.2%
Shanghai - Singapore	usd/teu	110	120	-8.3%	-21.4%



Newbuilding Market

The Singaporean company Eastern Pacific added 11 dual fuel ships to its orderbook with Hyundai Samho. The vessels' capacity should be around 15,100 teu and the price is expected around \$130/135mln per unit.

BW Group exercised the option for the construction of 2 additional 174,000 cbm LNG carriers at Daewoo, the price is reported at \$188mln each, deliveries within September 2022.

MISC ordered 2 x 174,000 cbm LNG carriers at Samsung after the company secured a 15-year TC with SeaRiver Maritime (a subsidiary of ExxonMobil). The vessels are priced \$202,5mln each and will be delivered in 2022.

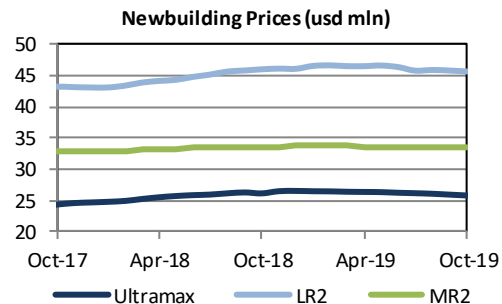
Two VLCC were ordered last week, only for one we have so far enough details: Greek buyers ordered a VLCC for dely June 2021 at Hyundai for a reported price of \$94mln.

Newbuilding Reported Orders

Type	Size	Built	Yard	Buyers	Price	Comment
Cont	15,100	2021/22	Hyundai Samho	Eastern Pacific	130/135	11 units, dual fuel
LNG	174,000	2022	Daewoo	BW Group	188	2 options declared
LNG	174,000	2022	Samsung	MISC	202.5	2 units

Indicative Newbuilding Prices (China)

	Unit	01-Oct-19	M-o-M	Y-o-Y
Capesize	usd mln	48.4	-0.3%	+1.9%
Ultramax	usd mln	25.7	-0.5%	-1.3%
Supramax	usd mln	22.9	-0.5%	+0.7%
VLCC	usd mln	83.7	-0.2%	+1.0%
LR2 Coated	usd mln	45.8	-0.3%	-0.8%
MR2 Coated	usd mln	33.4	-0.1%	-0.8%



Interest Rates

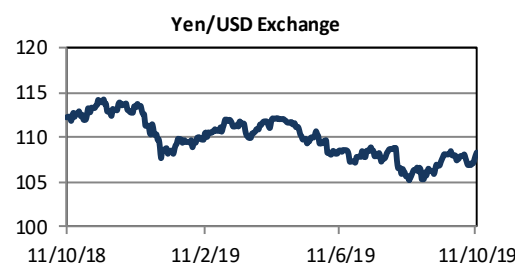
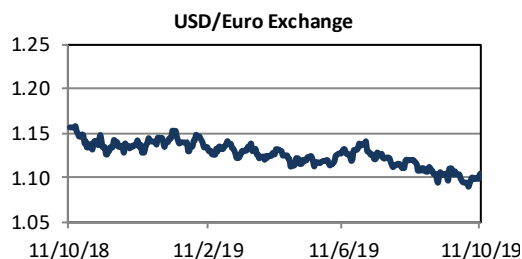
	Libor USD	Libor Euro	Euribor Euro
6 Months	1.98	-0.42	-0.36
12 Months	1.96	-0.35	-0.30

Interest Rate Swaps

	3 yrs	5 yrs	7 yrs	10 yrs	15 yrs	20 yrs
USD	1.59	1.56	1.59	1.66	1.75	1.80
Euro	-0.40	-0.32	-0.21	-0.02	0.23	0.36

Exchange Rates

	11-Oct	04-Oct	W-o-W	Y-o-Y
USD/Euro	1.10	1.10	+0.5%	-4.6%
Yen/USD	108.3	106.9	+1.3%	-3.5%
SK Won/USD	1,189	1,197	-0.6%	+3.9%



Secondhand Market

Interest remains strong for Capesize and Dry Bulkers in general, however the price gap limited the amount of deals. A few Kamsarmax deals emerged such as "BW Hazel" 81,000 dwt, built 2013 by SPP which was sold for \$21,75m to undisclosed interests and the Japanese owned "Mangarella" abt 82,000 dwt, built 2009 by Tsuneishi (SS/DD freshly passed and BWTS installed) which achieved around \$15.6m. The Chinese built "Mild Sea" abt 81,000 dwt, built 2013 by Qingdao Beihai achieved mid/high \$16m.

These are incredible days for tankers with rates for large units at all-time highs. VLCC "Brightoil Galaxy" 319,000 dwt built 2012 by HHI at her auction achieved \$61.5m from Zodiac. The conditions are reportedly below common standards. Other two VLCC were reported sold last week, but the actual sale is believed to be of the previous weeks: the "DS Commodore" 298,000 dwt built 2000 by HHI achieved only \$22m, compared to \$25m fetched by VLCC "N Topaz" 306,000 dwt, built 2000 by Hitachi; the gap is most likely due to the timing as the former unit was sold earlier, chronologically. We are hearing of another VLCC built 2000 or 2001 on subs at slightly below \$30m level, but there are no confirmation so far. In the product segment, two MR2 were sold en bloc to Chinese buyers, "Energy Puma" and "Energy Progress" around 47,000 dwt built 2008 by Sundong were reported sold at \$17m each. The smaller 39,000 dwt "Nord Geranium" built 2014 by GSI was bought by S American interests at \$24m.

Secondhand Reported Sales

TYPE	VESSEL NAME	DWT	BLT	YARD	BUYERS	PRICE	NOTE
Bulk	Mangarella	82,000	2009	Tsuneishi Zosen	Greek buyers	15,6	Still on subs
Bulk	Trustn trader I	82,000	2015	Oshima	CDBL	75	
Bulk	Trustn trader II	82,000	2015	Oshima	CDBL	75	En bloc sale, total price
Bulk	Falcon Trader	81,000	2016	Tsuneishi Zhoushan	CDBL	75	
Bulk	Eternal Triumph	55,000	2012	IHI Marine	Undisclosed	14	
Bulk	Grasshopper	53,000	2002	Imabari	Chinese buyers	6,5	
Bulk	Forza	28,000	1997	Kanda	Chinese buyers	3,2	
Bulk	Genco Champion	28,000	2006	Shimanami	Greek buyers	6,6	
Bulk	King Sugar	28,000	2010	ISS Imabari	Undisclosed	7,2	
Chem	Nord Geranium	39,000	2014	GSI	South Amrican Interest	24	

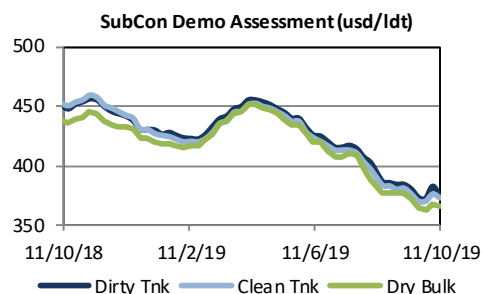
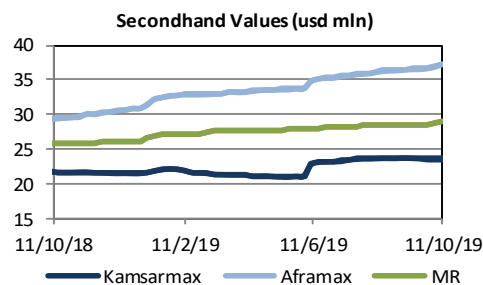
Baltic Secondhand Assessments

	Unit	11-Oct	04-Oct	W-o-W	Y-o-Y
Capesize	usd mln	35.5	35.5	+0.1%	-1.6%
Kamsarmax	usd mln	23.6	23.6	+0.0%	+8.3%
Supramax	usd mln	17.5	17.5	-0.3%	-5.2%
VLCC	usd mln	71.9	71.2	+1.0%	+15.9%
Aframax	usd mln	37.3	37.0	+1.1%	+27.0%
MR Product	usd mln	28.9	28.8	+0.5%	+11.4%

From June 2019, the Panamax BSPA benchmark changed into a Kamsarmax (82,500mt dwt on 14.43m, LOA 229m, beam 32.25m, 97,000cbm grain) and the benchmark BSPA Aframax specifications was amended to 115,000mt dwt and 44m beam

Baltic Ship Recycling Assessment (Subcontinent)

	Unit	11-Oct	04-Oct	W-o-W	Y-o-Y
Dry Bulk	usd/ldt	365.3	368.0	-0.7%	-16.8%
Dirty Tanker	usd/ldt	373.2	382.4	-2.4%	-17.2%
Clean Tanker	usd/ldt	373.2	376.5	-0.9%	-17.6%



Dry Bulk Commodities

Australia's Fortescue confirms bid to develop Guinea iron ore

Australia's Fortescue Metals Group confirmed on Monday that it has submitted a bid to develop two blocks in Guinea's ore deposit, Simandou. Guinea has struggled for decades to develop the Simandou deposit which is among the world's biggest and contains billion of tonnes of high-grade iron ore, increasingly in demand as steel mills try to lower carbon emissions, as its mired in protracted legal disputes while the cost of infrastructure to transport the ore out of the remote south-eastern corner of Guinea has also put a dampener on potential developer' enthusiasm. The government insist that ore from Simandou must be exported through Guinea, requiring the developer to build railway to Guinea's cost as well as a deep-water port, taking the overall cost of developing the deposit to an estimated \$23 billion.

US corn exports remain dismal, but soy shipments lifted by China

US soybean exporters had a record fourth quarter and corn shipments slumped to a six-year low but overseas demand for US corn is starting off the new marketing year on an even worst note, while soybean market hopes for renewed Chinese business. August exports to China totalled 2.68 million tonnes, the highest for any month since January 2018. However, total soy shipments to China reached only 13.32 mln tonnes in 2018-2019 marketing year, the lowest volume since 2006-07 as the trade war was the original cause for the reduced number, and the problem worsened as African swine fever spread through the China's massive hog herd.

Political uncertainty dents Argentine corn crop expectations

Argentina is expected to harvest 47.5 mln tonnes of corn this season, down from a previous estimate of 50 mln tonnes as growers grapple with dry weather and political uncertainty favours soy planting with growers expecting an increase in grains export taxes, farmers are reducing corn planting in favour of cheaper-to-produce soy, as a hedge against the uncertainty over agricultural poly after the next government is sworn in December. Argentina is a major international supplier of corn, wheat and soybeans, as well as its No.1 exporter of soymeal livestock feed and grains export taxes are a key source of revenue for a government slammed by recession and inflation expected to end the year at about 55%.

Rain boost prospects for western European crop sowing

Recent rain has brought relief to parched western European grain belts and improve conditions for cereal sowing and for earlier-sown rapeseed crops as limited rain and scorching summer temperatures had hampered early rapeseed sowing and raised fears of a repeat drought losses seen during last year's planting season. The return of rain could keep rapeseed area above the very low level seen in this year's harvest.

Shanghai aluminium prices outperform LME on China shortfall

A shortage of aluminium in China as domestic supplies fall has boosted prices in Shanghai, which are outperforming those on the London Metal Exchange (LME) where weaker demand in the rest of the world is reflected, a divergence expected to dominate for some time. Benchmark aluminium on the LME hit its lowest since January 2017, a drop of 12% since march when US-China trade dispute escalated. Aluminium is widely used in the transport and packaging industries while China accounts for 55% of global aluminium supplies and China's aluminium deficit is mainly due to closures of top productions last year.

FranceAgriMer raises wheat export outlook on trader optimism

Farm office FranceAgriMer sharply increased its forecast for French soft wheat exports this season, pointing to optimism among traders that a big harvest and competitive prices would let France expand overseas sales. The agency raised its estimate of French soft wheat exports outside the European Union in 2019/20. Exporters saw scope for France to take advantage of its second-largest harvest on record to tap into strong demand from Morocco and regain some market share in West Africa from Black Sea suppliers like Russia and Ukraine.

China offering extra US agriculture purchases

Chinese are offering to increase annual purchases of US agricultural products as the 2 countries seek to resolve their trade dispute and will offer to boost annual purchases of US soybeans to 30 mln tonnes from 20 mln tonnes currently, adding the increase will be equivalent to about 3.25 billion in additional orders. Beijing last month increased its purchases of US agricultural products including soybeans and pork.

Source: Refinitiv

Oil & Gas

Asia crude oil refiners pay the price for US sanctions on China's ship

Asian refiners are once again paying the price for the ongoing battle between US and Iran, with effective price of crude oil being kicked higher by a sharp rise in tanker freight cost and the bad news for refiners is that the rise in the price of delivered crude may be more sticky than previous spikes caused by factors that proved temporary, such as the strikes on Saudi Arabia oil installations and attacks on tankers in the Middle East. As Asian refiners rely heavily on long-distance supplies from the Middle East, Africa and the US, the rise in freight costs will hit them disproportionately. The rise in freight rates also means that crude that travels longer distances will be disadvantaged the most.

Iran will use every means possible to export its oil

"We will use every possible way to export our oil and we will not succumb to America's pressure because exporting oil is Iran's legitimate right", Oil Minister said as Iran crude oil exports were reduced by more than 80% when the US re-imposed sanctions on them after US president pulled out of Iran's 2015 nuclear deal with world powers. Iran has the world's second-largest reserves of natural gas, but it has not yet become a major exporter because of international sanctions imposed on the countries.

US oil output seen rising to record 12.25 mln bpd in 2019

US crude production is expected to rise by 1.27 bpd in 2019 to a record 12.26 mln bpd, the US Energy Information Administration said. US crude output has surged to records above 12 mln bpd this year thanks to gains from Permian basin, spanning Texas and New Mexico, the biggest oil patch in US, now the world's largest producer ahead of Saudi Arabia and Russia. A prolonged trade war between China and US has roiled financial markets and sparked worries about economic and oil demand growth.

Asia gets more European naphtha but Saudi factor supports prices

Naphtha arrivals in Asia this month from the West including Europe and the Mediterranean area seen recovering from a 3-month low in Sept to a 2-month high but this lags the monthly average for the first 9 months of this year. The Sept 14 attacks on Saudi Arabian oil facilities had flipped the market around as state oil company Aramco went on a buying spree to plug its gaps. Changes to be made in the shipping industry starting in 2020 in which marine fuel sulphur content will be capped at 0.5% would likely lead to stronger demand for naphtha as a blendstock for gasoline.

Nigeria lands higher oil output target in OPEC+ cut deal

OPEC has granted Nigeria a higher oil output target under an OPEC-led deal to limit oil supply in a move unannounced by the group, following efforts by Africa's largest exporter to tweak the agreement to accommodate its expanding oil industry. The quota increase will mean Nigeria will see an improvement in its compliance with the supply cut accord. OPEC granted Nigeria the target revision because of the new Total-operated Egina oilfield which started production in January and had not been factored in during calculation of initial quota.

Several Asian Refiners to get full Saudi oil supplies in November

At least 7 Asian refiners will receive the full crude volumes they requested from Saudi Arabia for November loading, a sign that Saudi production has stabilized after disruptions last month as most of the refiners are getting the crude they want adding that there were no request from Saudi Aramco for them to change grades. The kingdom has bounced back and the country was on track to regain its maximum oil production capacity of 12 mln bpd by end of November.

India's Reliance to resume Venezuela oil loadings after 4-month pause

Indian refiner Reliance Industries Ltd is scheduled to resume loading Venezuelan crude in October after a 4-month pause, a move that could help Venezuela's state-run company drain its large oil inventories. It has been supplying Venezuela with fuels permitted under US sanctions, including diesel, and thus it is able to recommence crude sourcing in exchange for the refined products as Reliance needs the type of heavy sour crude that Venezuela sells because its refineries are configured to process it. US sanctions on Venezuela and Iran made it harder for refiners to find supply.

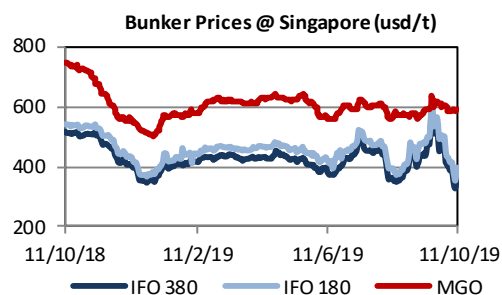
Explosion sets Iran oil tanker on fire near Saudi port city

An explosion has set an Iranian oil tanker on fire 60 miles from the Saudi port city of Jeddah and experts believed it was a "terrorist attack". The explosion has caused heavy damages and oil spill in the Red Sea.

Source: Refinitiv

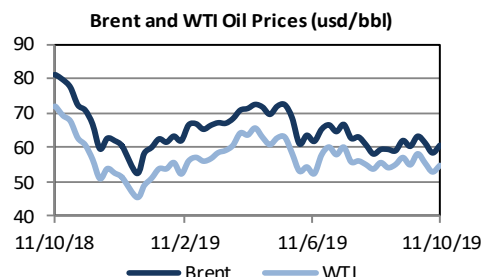
Bunker Prices

		Unit	11-Oct	04-Oct	W-o-W	Y-o-Y
IFO 380	Rotterdam	usd/t	317.0	333.0	-4.8%	-33.2%
	Gibraltar	usd/t	358.0	406.0	-11.8%	-27.7%
	Singapore	usd/t	378.5	388.0	-2.4%	-26.9%
IFO 180	Rotterdam	usd/t	349.0	391.0	-10.7%	-32.4%
	Gibraltar	usd/t	400.5	448.0	-10.6%	-23.6%
	Singapore	usd/t	399.5	417.0	-4.2%	-26.6%
MGO	Rotterdam	usd/t	571.0	560.0	+2.0%	-19.7%
	Gibraltar	usd/t	618.5	610.0	+1.4%	-17.8%
	Singapore	usd/t	590.5	582.0	+1.5%	-20.7%



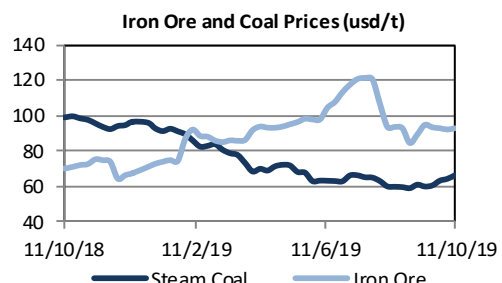
Oil & Gas Prices

	Unit	11-Oct	04-Oct	W-o-W	Y-o-Y
Crude Oil Brent	usd/bbl	60.5	58.3	+3.8%	-25.6%
Crude Oil WTI	usd/bbl	54.7	52.8	+3.6%	-24.0%
Crude Oil Dubai	usd/bbl	61.4	58.5	+4.9%	-23.3%
Natural Gas Henry Hub	usd/mmbtu	2.28	2.33	-2.3%	-28.4%
Gasoline Nymex	usd/gal	1.64	1.56	+5.1%	-16.4%
ICE Gasoil	usd/t	583.8	581.3	+0.4%	-19.1%
Naphtha Tokyo	usd/t	516.5	485.2	+6.4%	-26.0%
Jet-Kerosene Asia	usd/bbl	76.4	75.2	+1.6%	-20.3%



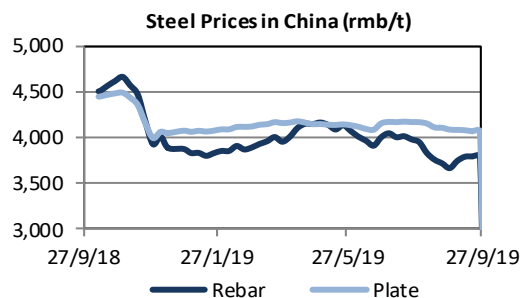
Coal Prices

	Unit	11-Oct	04-Oct	W-o-W	Y-o-Y
Steam @ Richards Bay	usd/t	66.3	64.3	+3.1%	-33.2%
Steam @ Newcastle	usd/t	67.0	65.2	+2.7%	-38.7%
Coking Coal Australia	usd/t	151.0	146.0	+3.4%	-29.4%



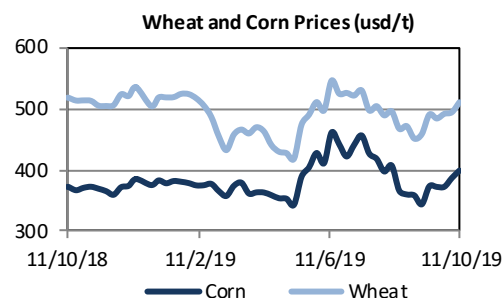
Iron Ore and Steel Prices

	Unit	11-Oct	04-Oct	W-o-W	Y-o-Y
Iron Ore (Platts)	usd/t	92.9	92.2	+0.7%	+31.7%
Iron Ore China @Tangshan	rmb/t	760.0	761.0	-0.1%	+38.7%
Rebar in China	rmb/t	n.a.	n.a.	n.a.	n.a.
Plate in China	rmb/t	n.a.	n.a.	n.a.	n.a.
HR Coil in China	rmb/t	n.a.	n.a.	n.a.	n.a.
CR Sheet in China	rmb/t	n.a.	n.a.	n.a.	n.a.



Agricultural

	Unit	11-Oct	04-Oct	W-o-W	Y-o-Y
Wheat	usd/t	509.5	493.5	+3.2%	-1.4%
Corn	usd/t	399.0	386.8	+3.2%	+7.3%
Soybeans	usd/t	941.3	916.8	+2.7%	+8.8%
Palm Oil	usd/t	522.7	497.8	+5.0%	-0.9%



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